

110TH CONGRESS
1ST SESSION

S. 2455

To provide \$1,000,000,000 in emergency Community Development Block Grant funding for necessary expenses related to the impact of foreclosures on communities.

IN THE SENATE OF THE UNITED STATES

DECEMBER 12, 2007

Mr. COLEMAN (for himself and Mr. LEAHY) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide \$1,000,000,000 in emergency Community Development Block Grant funding for necessary expenses related to the impact of foreclosures on communities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Community Fore-
5 closure Assistance Act of 2007”.

6 **SEC. 2. ADDITIONAL EMERGENCY CDBG FUNDING.**

7 (a) APPROPRIATION.—There are authorized to be ap-
8 propriated, and shall be appropriated, \$1,000,000,000, to
9 remain available until expended, for assistance to States,

1 metropolitan cities, and urban counties (as those terms
 2 are defined in section 102 of the Housing and Community
 3 Development Act of 1974 (42 U.S.C. 5302)) in carrying
 4 out the community development block grant program
 5 under title I of the Housing and Community Development
 6 Act of 1974 (42 U.S.C. 5301 et seq.)—

7 (1) for necessary expenses related to the impact
 8 of housing foreclosures, and other related economic
 9 and community development activities; and

10 (2) to provide foreclosure-based rental assist-
 11 ance for individual renters in the form of relocation
 12 assistance.

13 (b) LIMITATION.—

14 (1) IN GENERAL.—Except for counseling serv-
 15 ices none of the amounts appropriated under sub-
 16 section (a) may be provided, directly or indirectly, to
 17 an individual homeowner for foreclosure prevention
 18 purposes, including for refinancing assistance, loans,
 19 or any other form of financial assistance. Such funds
 20 may be provided directly to a certified housing coun-
 21 seling service, which shall be considered as a sub-
 22 recipient of such grant amounts.

23 (2) DEFINITION.—For purposes of paragraph
 24 (1), the term “certified housing counseling service”
 25 means a housing counseling agency approved by the

1 Secretary of Housing and Urban Development pur-
 2 suant to section 106(d) of the Housing and Urban
 3 Development Act of 1968 (12 U.S.C. 1701x(d)).

4 **SEC. 3. INCREASED PUBLIC SERVICES REQUIREMENT CAP.**

5 For purposes of this Act, paragraph (8) of section
 6 105(a) of the Housing and Community Development Act
 7 of 1974 (42 U.S.C. 5305(a)) shall apply to the use of all
 8 funds appropriated or otherwise made available under this
 9 Act by substituting—

10 (1) “25 per centum” for “15 per centum” each
 11 place that term appears; and

12 (2) “25 percent” for “15 percent” each place
 13 that term appears.

14 **SEC. 4. LOW AND MODERATE INCOME REQUIREMENT.**

15 At least 50 percent of the funds appropriated or oth-
 16 erwise made available under this Act shall benefit pri-
 17 marily persons of low- and moderate-income.

18 **SEC. 5. PLANS AND REPORTS.**

19 (a) COMPREHENSIVE PLAN.—None of the funds ap-
 20 propriated or otherwise made available under this Act
 21 shall be used by any State, metropolitan city, or urban
 22 county until such time as that State, metropolitan city,
 23 or urban county submits to the Secretary of Housing and
 24 Urban Development, for approval by the Secretary, a com-

1 prehensive plan detailing the proposed use of all such
2 funds.

3 (b) REPORT ON USE OF FUNDS.—During the period
4 of time that funds are being expended under this Act, each
5 State, metropolitan city, or urban county receiving funds
6 under this Act shall submit, on a quarterly basis, a report
7 to the Secretary of Housing and Urban Development de-
8 scribing and accounting for the use of all such funds ex-
9 pended during the applicable period.

10 **SEC. 6. WAIVERS.**

11 (a) GENERAL WAIVER.—In administering funds ap-
12 propriated or otherwise made available under this Act, the
13 Secretary of Housing and Urban Development shall waive,
14 or specify alternative requirements for, any provision of
15 any statute or regulation that the Secretary administers
16 in connection with the obligation by the Secretary or the
17 use by the recipient of such funds (except for requirements
18 related to fair housing, nondiscrimination, labor stand-
19 ards, and the environment), upon a request by a State,
20 metropolitan city, or urban county that such waiver is re-
21 quired to facilitate the use of such funds, and a finding
22 by the Secretary that such waiver would not be incon-
23 sistent with the overall purpose of the statute.

24 (b) LOW AND MODERATE INCOME REQUIREMENT
25 WAIVER.—The Secretary of Housing and Urban Develop-

1 ment may waive, upon the request of a State, metropolitan
2 city, or urban county, the 50 percent requirement de-
3 scribed under section 4. Such waiver shall, in the discre-
4 tion of the Secretary, only be granted if a compelling need
5 is demonstrated.

6 (c) PUBLIC SERVICES CAP.—The Secretary of Hous-
7 ing and Urban Development may waive, upon the request
8 of a State, metropolitan city, or urban county, the public
9 service requirement cap described under section 3. Such
10 waiver shall, in the discretion of the Secretary, only be
11 granted if a compelling need is demonstrated.

12 (d) OTHER WAIVER PROVISIONS.—

13 (1) PUBLICATION IN THE FEDERAL REG-
14 ISTER.—The Secretary of Housing and Urban De-
15 velopment shall publish in the Federal Register any
16 waiver of any statute or regulation authorized under
17 this section not later than 5 days before the effective
18 date of such waiver.

19 (2) REVIEW OF WAIVER.—Each waiver granted
20 under this section by the Secretary of Housing and
21 Urban Development shall be reconsidered, and if
22 still necessary reauthorized by the Secretary, not
23 later than 2 years after the date on which such
24 waiver was first published in the Federal Register
25 pursuant to paragraph (1).

1 (3) NOTIFICATION OF COMMITTEES.—The Sec-
2 retary of Housing and Urban Development shall no-
3 tify the Committee on Appropriations of the Senate
4 and the Committee on Appropriations of the House
5 of Representatives of any waiver granted or denied
6 under this section not later than 5 days before such
7 waiver is granted or denied.

8 **SEC. 7. NONCOMPLIANCE WITH COMMUNITY DEVELOP-**
9 **MENT REQUIREMENTS.**

10 For purposes of this Act, the provisions of section
11 111 of the Housing and Community Development Act of
12 1974 (42 U.S.C. 5311)(relating to noncompliance) shall
13 apply to the use of all funds appropriated or otherwise
14 made available under this Act.

15 **SEC. 8. GAO AUDIT.**

16 The Comptroller General of the United States shall—

17 (1) conduct an audit of the expenditure of all
18 funds appropriated under this Act in accordance
19 with generally accepted government auditing stand-
20 ards; and

21 (2) submit a report detailing such audit to the
22 Committee on Banking, Housing, and Urban Affairs
23 of the Senate and the Committee on Financial Serv-
24 ices of the House of Representatives.

1 **SEC. 9. REPORTS.**

2 The Secretary of Housing and Urban Development
3 shall report, on a quarterly basis, to the Committee on
4 Appropriations of the Senate and the Committee on Ap-
5 propriations of the House of Representatives on—

6 (1) the use of funds appropriated or otherwise
7 made available under this Act, including—

8 (A) the number of households receiving
9 counseling and rental assistance;

10 (B) the outcomes of such assistance activi-
11 ties;

12 (C) the names of those certified housing
13 counseling service providing counseling assist-
14 ance pursuant to this Act; and

15 (D) such other information as the Sec-
16 retary may deem appropriate; and

17 (2) all steps taken by the Secretary to prevent
18 fraud and abuse of such funds.

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